

SUMMARY:

Waived Oct 1, 1988

In 1985 Congress mandated to the U.S. Information Agency, under PL 99-88, the task of promoting the development of an independent Afghan media service by the Afghan people and training Afghans in media and media related fields so that they can tell the world the tragic story of what is happening to their country. An independent Afghan news service will disseminate more news and information to the international media about the Afghan situation than is currently available. It is hoped that greater pressure by world public opinion will be brought upon the USSR to withdraw from Afghanistan, thus allowing the Afghan people to determine freely their own destiny.

Effective July 1, 1986, grants were made to Boston University and the Hearst Corporation to implement the Project. Grantee representatives made their initial survey trip to Pakistan during the latter part of August. After months of delay, the Government of Pakistan has now agreed to allow the project to commence in Pakistan immediately, provided that operational funding for the new Afghan media service can be guaranteed for a minimum of one year. The GOP's Public Information Officer and the Director-Designate of the media service also require this commitment by the USG. The grantees concur in this position.

The projected financial plan for the project in FY 87 totals \$1.7 million. This amount consists of \$500K appropriated under PL 99-88 (grants to BU, Hearst and other Afghan information groups), which covers the first six months of FY 87; \$500K to be awarded to BU and Hearst from USIA FY 87 funds to cover the second six months of FY 87; and a shortfall of \$700K related to start-up and operating expenses of the new Afghan media service outside the present scope of the grant program.

As stated, the present grant funds are insufficient to cover the start-up and operating expenses. No additional funds are available from USIA in FY 87 due to current budget constraints. USIA has contributed \$1 million to the program in FY 86 and FY 87 over and beyond the funding provided by the Congress.

It had been anticipated that the GOP and possibly the German Media Project would contribute funds in FY 86 and FY 87 to offset a substantial amount of the operational costs involved. Unfortunately, such outside participation will not be forthcoming. However, cooperation will be extended to the project by these sources in the facilitative and distribution areas.

I. THE GRANT PROGRAM

The Afghan Media Project grants were awarded to Boston University and King Features Syndicate of the Hearst Corporation in the amounts of \$180,364 and \$309,636 respectively. Two small grants in the amount of \$5,000 each were awarded to two existing Afghan information groups upon the advice of the Post, thus obligating the total \$500,000 appropriated to USIA for the project under PL 99-88.

Charles Shutt of Hearst and Dean Joachim Maitre of Boston University, grantee project directors, visited Pakistan in August 1986 to determine ways and means of implementing the project there as soon as possible. They met with concerned Afghans, officials of the Government of Pakistan (GOP), Pakistan TV, and the US Embassy. The GOP has now agreed to the start of the project provided the USG commits sufficient start-up and operating funding for the new Afghan media service for a minimum one year period.

II. GRANTEE RESPONSIBILITIES

Under the grant program, Hearst is responsible for the organizational structure of the new Afghan News Service, including production and the methodology and design of the marketing and distribution of news and information on Afghanistan worldwide (excluding the US). Distribution priorities include the Islamic and Third Worlds, and other audiences.

Boston University will be responsible for the conduct of the training program which will occur in four six-week segments over a six month period. Courses presently scheduled cover the print media, photojournalism and video. Boston University has agreed to a GOP condition of including a Pakistani video trainer as part of its teaching team, thus replacing an American trainer. The training program will be conducted in Islamabad and its environs.

The project program will be operating on two tracks: to train Afghans in media and media related fields, while at the same time acquiring and distributing materials which become available to the Afghan News Service in the interim.

A. Hearst Grant (\$309,636 - first 6 mos. of program)

A grant of \$309,636 by USIA "to assist the Grantee in providing certain services as an advisor and consultant to the Afghan News Service, advising: (1) on the designing and implementing of the organizational structure of the news service; (2) on the designing and implementing of a marketing and distribution network; (3) and assisting on the production by Afghans of an Afghan News Service press packet. The Grantee shall also prepare progress and evaluation reports. It is recognized that Boston University will be conducting a training program simultaneously and that the Grantee will cooperate and collaborate as necessary to assure the integration of all activities under the Afghan Media Project under Public Law 99-88."

<u>Items of Expenditure (per grant)</u>		<u>Amount</u>
1.	Grantee American staff and local labor	\$50,300
2.	Honoraria for Media Consultant - not to exceed \$260 per day	46,800
3.	Honoraria, travel and per diem for other consultants	5,000
4.	Product Acquisition	50,000
5.	Costs of Afghan News Agency Press Packet	23,333
6.	Cost of distribution, shipping, purchases of supplies, insurance, legal fees, local fees, customs, business meetings and local travel	10,000
7.	Communications, supplies and tapes	7,480
8.	Equipment purchases (News Agency production only)	9,700
9.	International, domestic and ground transportation	10,910
10.	Per Diem:	15,878
	a. Per diem in foreign countries shall not exceed the rates authorized in the Standardized Government Travel Regulations for travel in foreign areas. (A copy of current rates is provided with this agreement).	
	b. Per diem in the United States shall not exceed \$75 per person per day.	
11.	A fixed amount of \$80,235 is provided to defray the indirect expenses of the Grantee in carrying out this agreement.	<u>80,235</u>

TOTAL GRANT (first 6 mos. of program)

\$309,636

B. Boston University Grant (\$180,364 - first 6 mos. of program)

A grant of \$180,364 to the Grantee "to enable the Grantee to conduct a program of media training for Afghans under the Afghan Media Project of USIA. The Grantee will work with the management personnel of a prospective Afghan News Service (ANS) to train its staff in all relevant aspects of basic print, photo, and broadcast (film/video) journalism. In carrying out the objectives of this project, the Grantee will have primary responsibility for all aspects of the training component of the Afghan Media Project including: (1) preparation of all curriculum materials, excluding translation; (2) acquisition of basic equipment for trainers as proposed; (3) establishing selection criteria for trainees; (4) selection of teaching personnel; (5) carrying out the initial training plan in two six-week sessions; and (6) preparing an evaluation of each phase of training and preparing a final report."

<u>Items of Expenditure (per grant)</u>		<u>Amount</u>
1.	Grantee staff salaries and benefits	\$83,055
2.	International, domestic and local transportation	12,925
3.	Per diem for trainers - Per diem in the United States shall not exceed \$75 per day per person. Per diem in foreign countries shall not exceed the rates authorized in the Standardized Government Travel Regulations for travel in foreign countries. A copy of current rates is provided with this agreement.	20,186
4.	Communications, copying and printing, preparation of instructional materials in two languages (the Agency shall be responsible for translation) and training supplies	11,000
5.	Equipment purchase (trainers' equipment only)	6,076
6.	Indirect expenses of the Grantee based on the Grantee's current Indirect Cost Rate Agreement with the Government Cognizant Agency. The Grantee has agreed to cost sharing of indirect expenses and therefore, the total amount of indirect expenses to be charged to this agreement shall not exceed \$47,122.	47,122
TOTAL GRANT (first 6 mos. of program)		<u>\$180,364</u>

RECAPITULATION OF FY 86 PL 99-88 APPROPRIATION

FY 86 - ALLOCATION OF FIRST \$500,000 : Hearst Grant	\$309,636
Boston Univ. Grant	180,364
Existing Afghan Information Groups in Peshawar	<u>10,000</u>
Total	<u>\$500,000</u>

FY 87 - A second \$500,000 is planned to be allocated in a similar manner as the first \$500,000 (\$300,000 to Hearst and \$200,000 to BU) in order to continue the program for the remainder of FY 87.

III. START-UP AND OPERATING EXPENSE SHORTFALL

The GOP go-ahead, which will enable the project to begin in Pakistan with the opening of the new media service, has given rise to a requirement for start-up and operational funds for the new Afghan News Service. These funds must be committed at the inception of the project for a minimum of one year. Neither the current grants nor the amount contemplated as USIA's contribution to the program in FY 87 will be sufficient to cover basic news service expenses for the first 12 months of operation, including space rental, press and TV equipment, telex and still photo transmission, media production, print and publication, staff salaries, security, transportation and shipping, etc.

Based upon budgets submitted through the grantees after their August 1986 trip, there is a need for up to \$700,000 to cover Afghan News Service operating expenses outside the scope of the BU and Hearst grant program. These expenses cover video equipment, \$150,000; trainee expenses, \$75,000; and local start-up and operating expenses, \$475,000.

Breakout of Start-Up and 12 Month Operating Expenses

The \$700,000 in annual needs are:

Projected Hearst area of responsibility

FY 87 Expenses

Rent	\$12,000
Rent deposit	24,000
Utilities	12,000
Office equipment	10,000
Electric generator	9,000
Office supplies	10,000
Photo transmitter	6,500
Photo receiver	13,500
Furniture	10,000
Telex	130,000
ANS local salaries	75,000
Telephone/telegraph	12,000
Local transportation	6,000
TV facilitation fees	<u>10,000</u>
Total Expenses	340,000
Overhead at 39.6%	<u>135,000</u>
Grand Total	475,000 =====

Projected Boston University area of responsibility

FY 87 Expenses

Video and Photo Equipment (for trainees)	\$150,000
Trainee Expenses	<u>49,500</u>
Total Expenses	199,500
Overhead on Trainee Expenses at 51%	<u>25,500</u>
Grand Total	\$225,000 =====

Total of Hearst and BU expenses for FY 87 which are outside the scope of the basic grants: \$475,000 + 225,000 = \$700,000.

IV. POSSIBLE SOLUTIONS TO FUNDING TRAINING/OPERATIONS

On the premise that AID may participate in the Afghan Media Project and possibly provide funding sufficient to cover the projected FY 87 \$700,000 shortfall, the project could be redesigned. AID could consider funding the education and training of Afghan refugees in media, with USIA covering the production and operating portion of the project. The initial FY 86 grants to BU and Hearst (approximately \$500,000) would remain as written covering the first six months of FY 87.

Accordingly, the \$700,000 shortfall and the additional FY 87 grants to Boston University and Hearst Corporation of \$500,000 from USIA funds could be distributed as follows:

A. Education and Training Program

1. BU education and training program

Teaching expenses and related costs	\$200,000
Training equipment, trainee expenses and related overhead	225,000

2. Hearst educational and training program

Teaching expenses and related costs (2nd half FY 87)	91,000
Training facilities, and trainee salaries and expenses	<u>184,000</u>

TOTAL Education and Training Program FY 87	\$700,000 =====
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B. News Production and Operations (Hearst)

1. Afghan News Service operating expenses
and related overhead

TV facilitation	\$10,000
Local transportation	6,000
Telephone and telegraph	12,000
Telex	130,000
Furniture & office supplies/equipment	25,000
	<u>\$183,000</u>
Overhead @ 39.6%	<u>72,468</u>
	<u>\$255,468</u>

2. Production expenses and related overhead

Grantee staff and related expenses	\$50,300
Consultants	5,000
Product acquisition	50,000
Press packet	23,333
Distribution costs	10,000
Communications and related costs	7,500
Equipment	30,000
	<u>\$176,133</u>
Overhead @ 39.6%	69,749
Travel and per diem	<u>7,500</u>
	<u>\$253,382</u>

TOTAL News Production and Operating Expenses FY 87 (estimated)	<u>\$508,850</u> =====
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